

Legislative Issue Brief – Federal Medicaid Assistance Participation Rate Subsidy/Increase



Catawba County Board of Commissioner's Legislative Goal

Support extension of the Federal Medicaid assistance participation rate subsidy/increase

Background

Expanding Medicaid to cover low-income populations has been a prominent component of health reform proposals. The Federal Medical Assistance Percentage (FMAP) through the American Recovery and Reinvestment Act (ARRA) provided a temporary increase in the FMAP rate from October 1, 2008 through December 31, 2010. This provision increased the FMAP in three ways. First, States are held harmless for any for any decreases from their base FY 2008 FMAP rate through the first quarter of FY 2011. Second, ARRA provides a general 6.2 percentage point increase in the rates for all States. Third, ARRA provides an additional increase for States facing high growth in unemployment, revised quarterly to reflect new State unemployment data. Commonwealths and Territories have the option of a 30 percent increase in their Medicaid caps or a 6.2 percentage point increase in their FMAP rates combined with a 15 percent increase in their Medicaid cap.

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